

Growth with Our Partners

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We consider customers, licence owners and suppliers to be our partners. We work with customers to provide a constant stream of high-quality and innovative products. Our customer and licence relationships have continued over many years and recent growth in share of licence and in the convenience and discounter channels prove our strong partner credentials. We work with suppliers to resource high-quality ingredients in a global marketplace but also to provide innovation in raw materials and packaging that support our innovation in product quality and range.

COLLABORATION

DIVERSIFYING...

Our channel diversification across the business between retail and out-of-home has helped us to balance the challenges of the Covid-19 pandemic.

Retail business has remained strong and in certain areas for example sharing cake has been buoyant. We can look forward to improved performance from our foodservice business as social distancing restrictions in the UK are reduced. We deliver to over 300 customers every week with our extensive range of Kara branded products for the foodservice market.

300

We deliver to over 300 customers every week with our extensive range of Kara products.

STRIVING...

We strive to develop better business relationships. Customers, licence owners and suppliers are our partners and we work with them to create a constant stream of high-quality, innovative products.

We have built these relationships over many years and continued growth in our share of the licensing market and in the convenience and discounter channels is testament to our strong partnership credentials. We work with suppliers to source high-quality ingredients from around the world, and also to innovate in raw materials and packaging.

CARING...

This year has been particularly challenging for our foodservice partners.

We have been working closely with them to manage fluctuations in demand during the pandemic. Together with our partners, we also supplied over 4 million loaves of bread to vulnerable people through the Defra 'Food Box' scheme. We have actively supported food banks local to each of our operating locations through this period, whilst recognising the hugely important NHS and other key worker populations with regular product donation initiatives.

4m

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GROWING...

We have continued to evolve our strong licensed brand portfolio which we work actively to ensure is best in class.

The broadening of our relationships with partners such as Mars and Diageo, and the addition of great new brands such as TGI Fridays, have allowed us to expedite both UK and wider European territory growth with our partners. Our Lightbody Europe subsidiary in France and the Ultrapharm business in Poland give a growing presence in Europe. 11% of Group revenue is made through European sites. We have invested in a new 'baguette' line in Poland to be able to provide a gluten-free solution to this everyday staple, not just in France, but across Europe.

SHARING...

Our whole cake strategy is based on three consumer centric guiding principles, relevance, regularity and premiumisation which have driven significant category share growth with key customer partners.

By introducing brands into the category, leveraging an 'always on' strategy and bringing strong innovation to play, we have cemented our position as category leaders in this area.



We have cemented our position as category leaders in the whole cake area.

GROWTH

INVESTING...

Building on the creation of a cake category first at our Hamilton site, where we established the first fully nut-free capability area, we have continued to extend our range of character-licensed products, all clearly marked with our unique nut-free logo on the pack.

The success of this has enabled us to now extend positive nut-free on pack declarations onto own label product ranges with key retail customer partners.



We continue to win new business through innovation with our Ultrapharm gluten-free business.

We continue to build on our wellness strategy by winning new business through innovation with our Ultrapharm gluten-free business, where we offer a range of premium breads and sweet treats, such as our award-winning mince pies and hot cross buns.

We are also currently investing to double the capacity of our facility in Pontypool to manage growth with existing customers. In addition to bread capability in this area, we have invested to extend this capability into cake at our Memory Lane Cakes site, where across the past 12 months we have secured total ownership of the sharing cake market, with great plans to grow further with our enhanced capability across the next three years.

We have invested in a new frozen dough ball facility at our Kara bakery in Manchester to meet growing demand in the take-away pizza category. This has already resulted in the winning of new contracts with some of the UK's leading restaurant chains.

Having invested to expand capacity at our Nicholas and Harris bakery in Salisbury, we continue to see strong double-digit growth in sourdough bread.

